

SAN JOAQUIN COUNTY ECONOMIC FORECAST

San Joaquin County is the northernmost county of the San Joaquin Valley. The county's central location in California makes it a hot spot for business activity, because it connects the San Joaquin Valley, Bay Area, and Sacramento Valley. San Joaquin County has a population of 664,400 people and over 220,400 wage and salary jobs. The per capita income in San Joaquin County is \$25,527, and the average salary per worker is \$39,465.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year, while the San Joaquin Valley grew at a robust pace of 2.3 percent. In 2005, 3,900 total wage and salary jobs were created in San Joaquin County, representing a growth rate of 1.8 percent. Non-farm employment grew at a faster rate of 2.5 percent. The unemployment rose slightly to 10.0 percent in 2005.

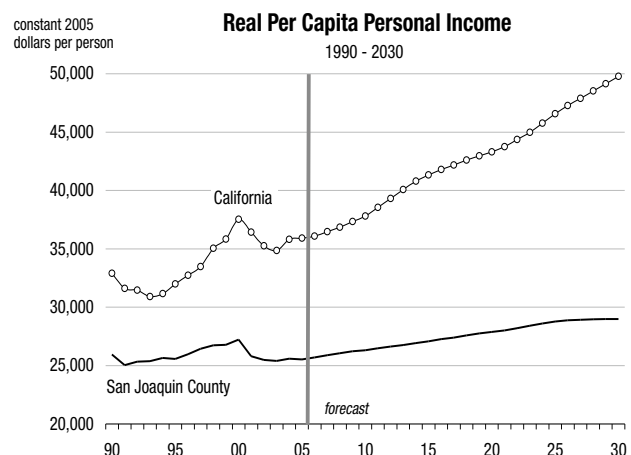
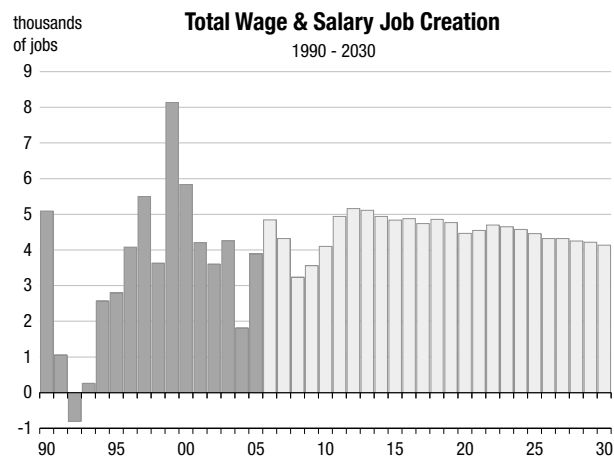
The principal sectors that are producing jobs in San Joaquin County are wholesale and retail trade, education and healthcare services, and construction. Farm employment fell by seven percent in 2005, to the lowest level since 1993.

From January 2005 to January 2006, population growth was 2.0 percent in San Joaquin County, compared to 1.2 percent for the entire state. The largest city in the county, Stockton, grew 2.1 percent last year. Communities in the western half of San Joaquin County are growing due to an influx of people that commute to the East Bay or Santa Clara County for work, but cannot afford the expensive housing in those areas.

Employment and population growth will continue at healthy rates in San Joaquin County over the next several years because inland counties will dominate growth in the state due to the relative affordability and higher production of housing.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to increase in 2006 to 2.2 percent, while non-farm job growth remains at 2.5 percent. From 2006 to 2010, total job growth averages 1.8 percent and non-farm job growth averages 1.9 percent.
- Average salaries adjusted for inflation are currently well below the California state average. Lower than state average salaries are expected over the foreseeable future. However, average salaries adjusted for inflation are still forecast to rise an average of 0.8 percent per year over the next 5 years.
- Real per capita incomes increase at a rate of 0.6 percent in 2006, and remain at this rate of growth over the next five years.

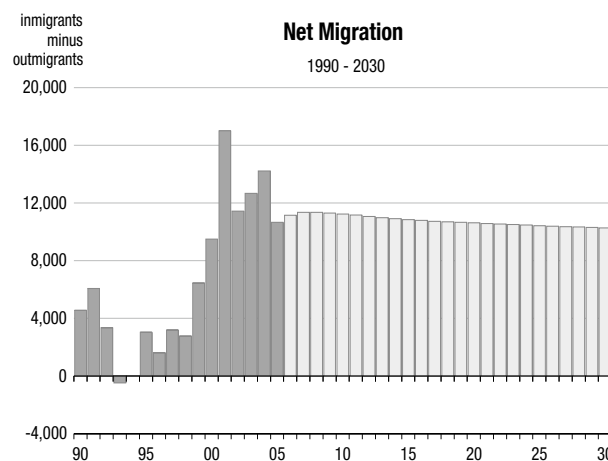
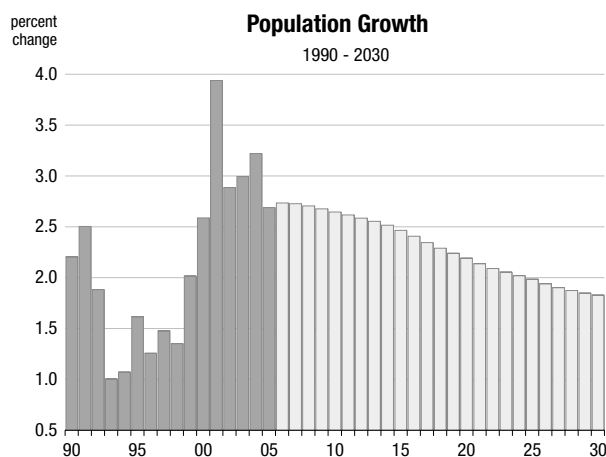


- Between 2006 and 2010, employment growth will be led by job creation in professional services, transportation, wholesale and retail trade, leisure services and the public sector. These sectors account for more than 90 percent of all expected new jobs in the county over the next five years.
- The population will continue to grow at a rapid rate. Annual growth in the 2006 to 2010 period averages 2.7 percent per year.
- Net migration will increase slightly to 11,200 people in 2006. Over the next five years net migration is expected to remain at this annual average—about 11,300 net migrants—each year, accounting for 60 percent of total population growth.
- Industrial production is forecast to increase 2.8 percent in 2006. Over the next five years the growth rate will remain approximately the same averaging 2.7 percent per year.

San Joaquin County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1996	528,655	1,623	407.66	171.3	2,409	\$4.4	\$10.5	\$25,961	2.3	1,766.6	3.03	11.4
1997	536,476	3,183	388.3	173.4	2,475	\$4.7	\$11.2	\$26,425	3.4	1,881.5	3.02	10.9
1998	543,745	2,769	414.5	175.1	3,229	\$5.1	\$11.9	\$26,736	3.2	1,607.1	3.16	10.6
1999	554,706	6,439	434.6	177.5	4,046	\$5.8	\$12.6	\$26,782	4.2	1,590.8	3.56	8.9
2000	569,072	9,504	454.1	181.6	5,323	\$6.6	\$13.8	\$27,216	4.5	1,518.3	3.95	8.9
2001	591,492	17,006	477.0	184.6	4,399	\$7.0	\$14.3	\$25,793	5.4	1,484.2	3.41	8.9
2002	608,566	11,440	509.2	189.5	6,280	\$7.3	\$14.7	\$25,472	1.6	1,423.2	3.65	10.0
2003	626,784	12,680	515.6	193.5	6,952	\$7.7	\$15.4	\$25,388	1.8	1,542.9	4.03	10.1
2004	646,971	14,235	558.9	199.3	6,886	\$8.7	\$16.2	\$25,591	1.2	1,646.1	4.35	9.8
2005	664,369	10,662	589.4	205.3	6,272	\$9.3	\$17.0	\$25,527	2.0	1,665.7	4.44	10.0
2006	682,534	11,164	619.3	212.6	5,803	\$10.2	\$18.0	\$25,680	2.7	1,675.1	4.56	9.7
2007	701,157	11,353	651.0	218.6	5,355	\$10.8	\$19.0	\$25,873	2.1	1,656.8	4.67	9.6
2008	720,130	11,366	684.5	224.1	5,077	\$11.5	\$20.1	\$26,047	2.3	1,645.3	4.82	10.0
2009	739,416	11,316	719.6	229.3	4,919	\$12.1	\$21.3	\$26,217	2.2	1,638.7	4.94	10.1
2010	758,981	11,246	756.4	234.3	4,830	\$12.8	\$22.4	\$26,311	2.4	1,627.6	5.08	9.9
2011	778,846	11,172	794.2	239.3	4,833	\$13.5	\$23.7	\$26,474	2.3	1,622.1	5.31	9.4
2012	798,996	11,071	832.9	244.3	4,855	\$14.3	\$24.9	\$26,616	2.1	1,617.6	5.56	9.0
2013	819,412	10,984	872.7	249.2	4,860	\$15.0	\$26.3	\$26,743	2.2	1,613.5	5.84	8.8
2014	840,042	10,918	913.6	254.2	4,876	\$15.7	\$27.7	\$26,923	2.2	1,608.8	6.11	8.7
2015	860,768	10,859	955.6	259.2	4,905	\$16.5	\$29.2	\$27,078	2.4	1,604.2	6.36	8.6
2016	881,503	10,800	998.7	264.3	4,937	\$17.3	\$30.9	\$27,255	2.5	1,598.5	6.62	8.5
2017	902,192	10,740	1,042.9	269.4	4,961	\$18.2	\$32.6	\$27,383	2.6	1,592.6	6.86	8.5
2018	922,865	10,708	1,088.4	274.5	4,995	\$19.0	\$34.4	\$27,576	2.4	1,583.1	7.14	8.5
2019	943,540	10,666	1,135.0	279.6	5,028	\$19.9	\$36.2	\$27,746	2.4	1,576.6	7.39	8.4
2020	964,219	10,629	1,183.1	284.8	5,054	\$20.8	\$38.0	\$27,871	2.3	1,574.6	7.63	8.5
2021	984,849	10,588	1,232.8	289.9	5,058	\$21.7	\$39.9	\$27,994	2.3	1,573.7	7.82	8.5
2022	1,005,444	10,550	1,284.4	295.1	5,056	\$22.7	\$42.0	\$28,198	2.4	1,574.3	7.90	8.4
2023	1,026,106	10,518	1,338.0	300.3	5,065	\$23.7	\$44.2	\$28,398	2.3	1,574.9	7.93	8.4
2024	1,046,854	10,474	1,393.7	305.5	5,082	\$24.6	\$46.4	\$28,592	2.2	1,575.6	7.86	8.4
2025	1,067,645	10,428	1,451.7	310.8	5,109	\$25.7	\$48.7	\$28,763	2.2	1,576.3	7.74	8.4
2026	1,088,384	10,393	1,512.0	316.0	5,142	\$26.8	\$50.9	\$28,874	2.3	1,577.0	7.75	8.4
2027	1,109,097	10,365	1,574.7	321.3	5,180	\$27.9	\$53.2	\$28,922	2.3	1,577.9	7.77	8.5
2028	1,129,886	10,338	1,640.0	326.6	5,205	\$29.0	\$55.6	\$28,950	2.5	1,578.7	7.87	8.5
2029	1,150,780	10,307	1,707.9	332.0	5,216	\$30.3	\$58.1	\$28,972	2.5	1,579.7	8.00	8.5



San Joaquin County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	185.0	17.56	7.8	23.1	10.5	27.6	8.3	13.9	2.5	20.3	13.3	34.3
1998	188.6	17.11	8.8	22.9	10.5	28.1	8.2	15.0	2.5	21.2	13.7	34.8
1999	196.7	18.06	10.5	23.8	11.6	28.8	8.4	16.1	2.7	21.5	13.8	35.6
2000	202.6	16.74	11.6	24.7	11.7	30.0	8.5	16.8	3.0	22.0	14.4	37.0
2001	206.8	15.73	13.2	22.5	12.3	31.3	8.9	16.9	3.3	22.3	15.3	38.8
2002	210.4	15.93	13.5	20.8	12.7	32.0	9.4	17.3	3.1	23.2	15.9	40.1
2003	214.6	16.56	14.4	20.4	13.4	33.1	9.9	17.8	2.9	23.9	16.4	39.5
2004	216.5	16.00	15.3	20.7	13.3	34.0	9.6	17.6	2.8	24.4	16.8	39.4
2005	220.4	14.85	16.3	20.7	12.9	36.1	9.8	18.3	2.5	25.5	17.2	39.6
2006	225.2	14.47	17.3	20.6	13.1	37.5	10.0	19.0	2.6	25.9	17.6	40.5
2007	229.5	14.30	17.7	20.4	13.5	38.8	10.1	19.6	2.7	26.3	18.1	41.3
2008	232.8	14.22	17.1	20.3	14.0	39.9	10.2	20.3	2.8	26.5	18.5	42.1
2009	236.3	14.19	16.3	20.3	14.5	41.0	10.3	21.0	2.9	26.8	19.0	43.2
2010	240.4	14.17	15.8	20.3	15.0	42.0	10.4	21.8	3.0	27.2	19.4	44.3
2011	245.4	14.15	15.6	20.5	15.6	43.1	10.5	22.7	3.1	27.8	19.9	45.3
2012	250.5	14.15	15.7	20.5	16.1	44.1	10.6	23.8	3.1	28.6	20.4	46.1
2013	255.6	14.14	15.8	20.5	16.7	45.2	10.7	24.8	3.2	29.5	20.8	46.9
2014	260.6	14.13	15.9	20.4	17.3	46.1	10.8	25.7	3.3	30.4	21.3	47.7
2015	265.4	14.12	16.0	20.3	17.9	47.0	11.0	26.5	3.3	31.4	21.7	48.5
2016	270.3	14.11	16.2	20.4	18.4	47.9	11.1	27.2	3.4	32.5	22.2	49.3
2017	275.1	14.09	16.3	20.4	19.0	48.7	11.2	27.8	3.5	33.6	22.6	50.1
2018	279.9	14.05	16.4	20.4	19.6	49.6	11.3	28.3	3.5	34.8	23.0	51.0
2019	284.7	14.02	16.5	20.4	20.1	50.4	11.4	28.8	3.6	35.9	23.5	52.0
2020	289.2	14.00	16.6	20.3	20.7	51.2	11.5	29.2	3.6	37.1	23.9	52.8
2021	293.7	14.00	16.7	20.2	21.2	52.0	11.6	29.7	3.7	38.2	24.4	53.7
2022	298.4	14.00	16.8	20.2	21.7	52.8	11.7	30.2	3.7	39.4	24.8	54.6
2023	303.1	14.00	16.9	20.2	22.3	53.5	11.8	30.6	3.7	40.5	25.3	55.6
2024	307.6	14.01	17.0	20.2	22.8	54.3	11.9	31.0	3.8	41.5	25.7	56.4
2025	312.1	14.02	17.1	20.2	23.3	55.1	12.0	31.5	3.9	42.6	26.1	57.2
2026	316.4	14.02	17.2	20.2	23.8	55.9	12.1	31.9	4.0	43.7	26.6	57.9
2027	320.7	14.03	17.3	20.2	24.3	56.7	12.2	32.4	4.1	44.7	27.0	58.7
2028	325.0	14.03	17.4	20.2	24.8	57.4	12.3	32.8	4.2	45.7	27.5	59.4
2029	329.2	14.04	17.5	20.2	25.3	58.1	12.4	33.2	4.2	46.6	27.9	60.2
2030	333.4	14.05	17.5	20.2	25.8	58.9	12.5	33.6	4.3	47.5	28.3	60.9

